termination of preventive, ameliorative remedial and other measures and expeditious enforcement of such measures.

Distinction between foreign promoters and Indian promoters

5994. SHRI V. RAJAN CHELLAPPA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have at any time drawn distinction between foreign promoters of industry and Indian promoters;

(b) whether it is a fact that during the operation of FERA, there was a difference in Government's perception between Indian promoters and investors and their foreign counterparts;

(c) whether this difference remains in the current foreign investment scenario;

(d) if so, the details thereof;

(e) whether the Indian industry associations have been demanding that Indian promoters be treated differently from foreign promoters; and

(f) if so, what is Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (d) Prior to the amendment of Foreign Exchange Regulation Act (FERA) in January 1993, companies where foreign equity holding exceeded 40 percent were classified as FERA companies. Such companies were subject to a number of restrictions. Consequent to the amendment of FERA in January 1993 the distinction between FERA and non-FERA companies cases to exist.

(e) and (f) Indian Promoters are treated differently from foreign promoters in a number of areas. Investment by foreign promoters in Indian industry is subject to an approval/ regulatory mechanism administerd by the Reserve Bank of India/Government of India, which is not applicable to Indian promoters.

Guidelines for heads of private sector Units

5995. SHRI S. AUSTIN: Will the Minister of FINANCE be pleased to state:

(a) whether Government have any guidelines for the behaviour and functioning of heads of all private sector units where financial institution control over 40 percent of the share holding;

(b) if so, the details of such guidlines;

(c) whether it is a fact that curbs on expenditure on life style and public relations and high consumption pattern will be curbed in major assisted units in the private sector; and

(d) if so, the details of such curbs or limits on income, life style and extraneous expenditure of the Chief Executives?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (d) Schedule XIII of the Companies Act, 1956, as amended from time to time, deals with appointment and remuneration of Managing Directors/Whole time Directors/Managers of public limited companies. The schedule, inter alia, provides that companies with adequate net profits as well as loss-making companies or companies with inadequate net profits would have